



Appendix A

FILED

**Background and Context for Evaluating DDB San Francisco's Funding Request
Reconciliation and Contract Extension Proposal for Additional Strategy and
Content Development**

10/05/19
10:09 AM

CPUC Decision (D).17-12-023 authorized up to \$31.7 million in a scope of work for 'Strategy and Content Development' work, a critical component of statewide Marketing, Education & Outreach in the transition to default time of use (TOU) for all three investor owned utilities (IOUs). At the time D.17-12-023 was adopted, it was assumed default TOU for all three IOUs would begin in 2019, as initially proposed. As a result, and in compliance with D.17-12-013, PG&E entered into a contract with DDB San Francisco (DDB) in May 2018 that was set to end in September 2019. However, D.18-05-011 changed the implementation schedule, allowing PG&E and SCE to begin defaulting residential customers to TOU in October 2020. This protracted schedule has led DDB to request additional funds to complete the scope of work.

Although not expressly related to the goals of R.12-06-013, DDB was selected to complete this work in part because of its existing Energy Upgrade California (EUC) contract and the potential synergies and cost savings associated with that work.

DDB provided the attached document detailing their request for additional funds stemming from changes to the residential default TOU implementation schedule set forth in D.18-05-011. In this funding request, DDB assumes that the current budget will suffice through March 2020, pending a contract amendment to be filed by PG&E to allow them to extend the original contract beyond September 2019 as contemplated in D.17-12-023. DDB's attached funding request provides a progress report on the scope of work to date as well as a list of additional needs after March 2020. DDB also includes an appendix, which provides their perspective on the impact to each media channel (paid, earned, outreach, etc.) if additional funding is not provided.

As parties evaluate DDB's attached funding request, any comments and recommendations should include how DDB and the IOUs will achieve the Vision Metrics set forth in D.17-12-023 under alternative funding scenarios. Parties should also evaluate what portions of the original scope of work have been completed as well as funding levels and timelines for specific activities (including but not limited to community-based outreach and public relations). Lastly, parties should consider the role of statewide marketing in the PG&E and SCE default TOU rollouts and whether additional content, beyond updates to specific content developed for SDG&E, will be required for these efforts.

Parties should provide as much feedback as possible on the attached funding request, taking into consideration the asserted implications of not funding the key areas proposed in DDB's extended scope of work. Based on this input, the Commission will determine the appropriate level of funding they would like the statewide marketing to continue in order to achieve the stated goals of preparing ratepayers for the transition to default TOU set forth in R.12-06-013.

2021
Funding
Reconciliation

AUGUST 6 2019



EXECUTIVE SUMMARY

The recent extension of DDB's EUC Energy Efficiency (EE) contract with PG&E has ensured that ME&O support for EE programs will continue through 2021.

Separately under contract with SDG&E, media *buying* for RRR media has been established through 2021, to support the SCE and PG&E TOU Plan defaults.

However, RRR content development, media *planning* and outreach spending is scheduled to expire September 30, 2019 - leaving a variety of outreach programs unfunded and therefore potentially omitted from future roll outs.

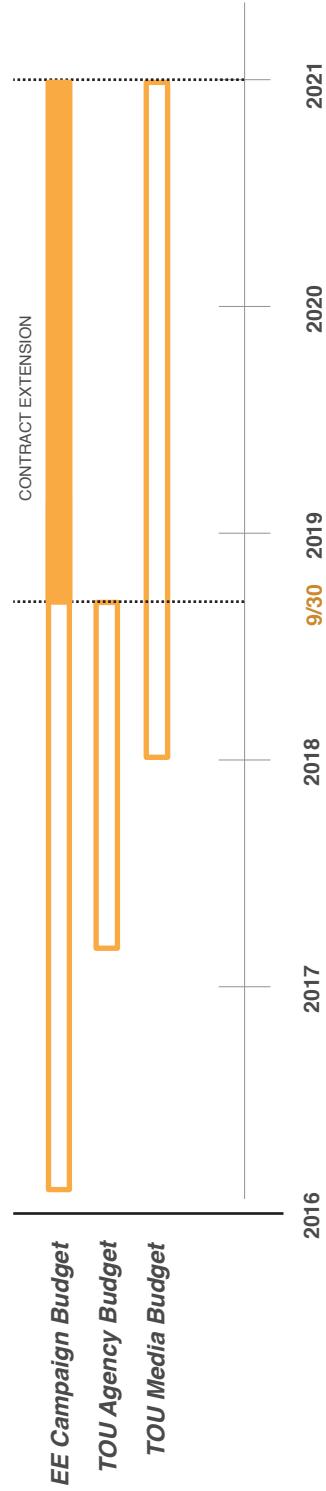
Reconciling this discrepancy, and extending content development, media planning and outreach spending through 2021, will be critical in fulfilling the RRR decision mandates and delivering on the performance benchmarks set out by the program's independent evaluator.

**The DDB Group needs the CPUC to provide authority to PG&E and the IOUs to continue funding TOU ME&O programs.
This authority will enable a contract extension to be executed, and TOU work to continue.**

PROGRAM FUNDING

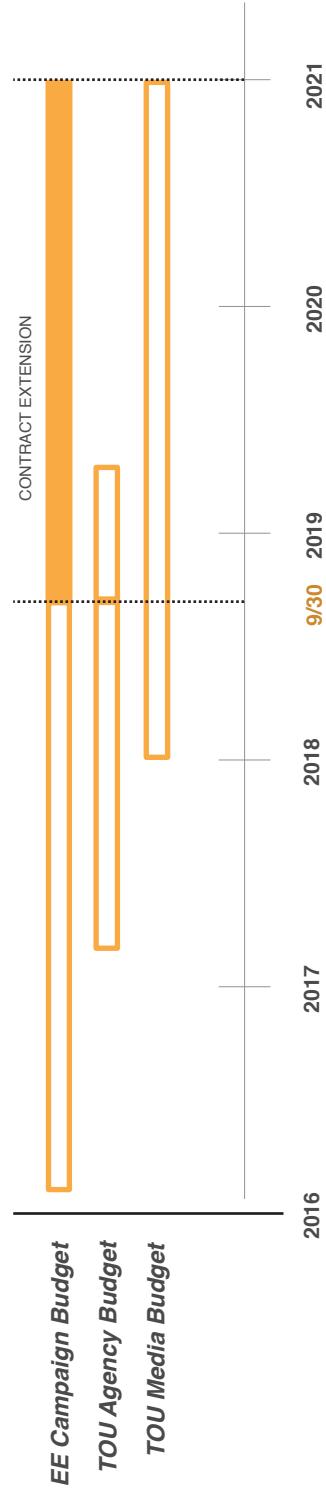
DDB

The EUC contract extension will continue Energy Efficiency (EE) campaign development and media buying through 2021. However, only TOU media is budgeted for through 2021; creative development and outreach will expire in 2019, following the SDG&E roll out.



PROGRAM FUNDING - APPLICATION OF SAVINGS

While the initial ME&O budget was developed against the contract end-date of 9/30/2019, DDB Group has identified significant savings that will allow for continuation of delivery, without additional funding, through March of 2020 (pending extension of the current RR contract with PG&E).



FUNDING DISCREPANCY

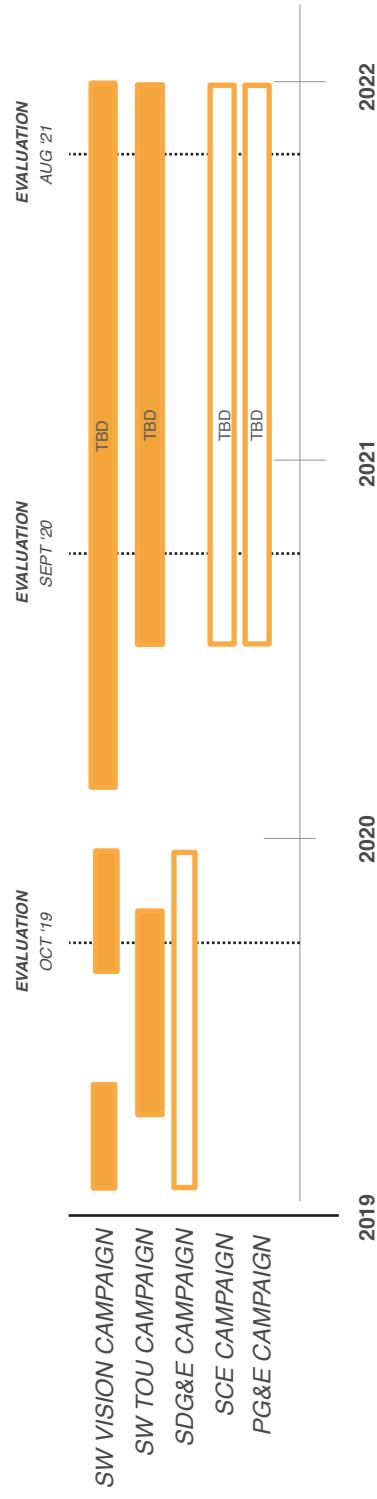
The currently scheduled agency and media spending assumes campaign content and strategies can be developed in advance of the initial default and be implemented during all future regional roll outs. While efficiencies will be achieved by leveraging earlier assets and learnings, the Decision outlines a variety of ongoing deliverables which will require additional funding through 2021.

DECISION DELIVERABLES INCLUDE:

- Regular content development for social/digital channels
- Maintenance and updates of in-market communications
- Monthly reporting of campaign impact/results
- Regional adaption/translation for multicultural and CCG audiences
- Adjustment of content/media to fit regional customer needs

PROGRAM EVALUATION

Additionally, the independent evaluator has developed a multi-year, multi-phased evaluation approach which is designed to deliver wave-versus-wave analysis of all campaign activities. Once the first wave has been fielded in October 2019, a significant change to campaign deliverables would have a negative overall impact on campaign reporting and the programs reported success.



RESEARCH OBJECTIVES*

1. Measure the SW RRR campaign and the achievement of the Vision Metrics Blueprint: 1) Engagement, 2) Rate Choice, and 3) Action
2. Analyze wave-versus-wave comparisons on metrics, path modeling, media breakthrough and touchpoint attribution on Vision Metrics
3. Where sample sizes permit, results will be evaluated for key segments to understand notable differences versus 'all customers'

*SOURCE: IPSOS TOU ME&O WORKING GROUP, Statewide Evaluator: Introduction, Approach, Survey Discussion July 26, 2018

PROGRAM SCOPE

As outlined in the decision Appendix A, the Scope of Work for the Statewide Residential Rate Reform Marketing, Education and Outreach program includes:

PHASE ONE: STRATEGY & CONTENT (PG&E CONTRACT)

Deliverable 1:
MEO Blueprint
Update

Deliverable 2:
Content Creation and
Testing

Deliverable 3:
Updates and
Maintenance

PHASE TWO: IMPLEMENTATION OF PAID MEDIA (SDG&E CONTRACT)

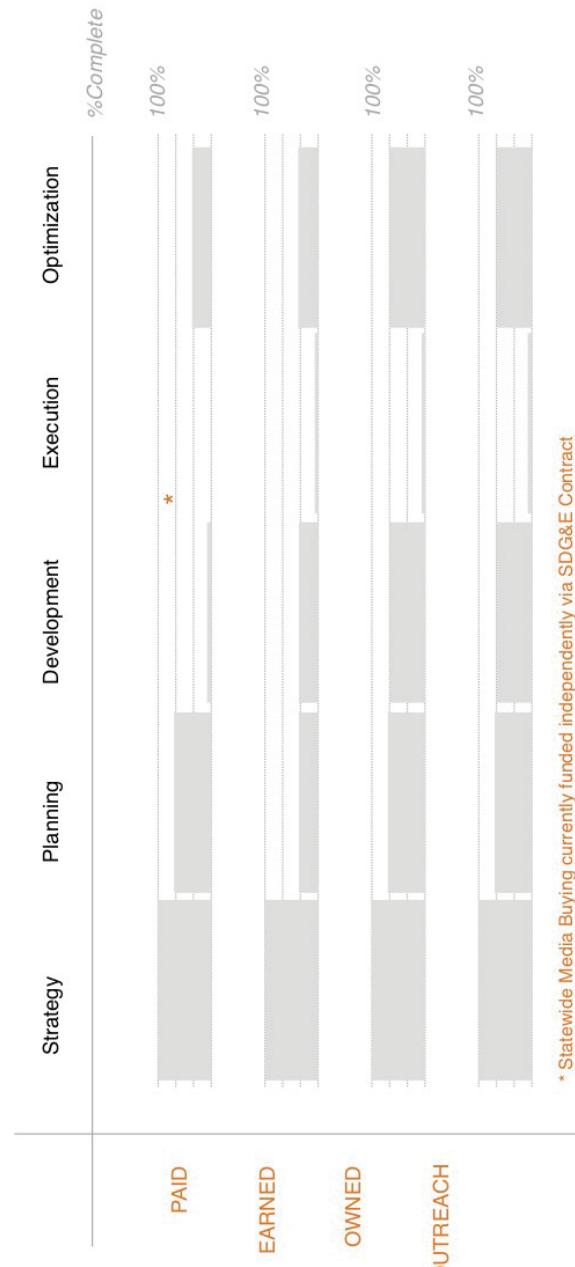
Channel Process

While each channel faces its own unique challenges, all broadly follow a similar process of defining strategies, localizing plans, developing assets, executing programs and, finally testing/optimizing.

STRATEGY	PLANNING	DEVELOPMENT	EXECUTION	OPTIMIZATION
Alignment on channels objectives and SW campaign contributions.	Development of campaign strategies into local plans to meet regional market needs.	Allocation of resources and content development to fulfill localized plan needs.	Activation of local media, programs, and/or creative executions.	Testing and learning for continuous improvements and future efforts.

Channel Progress

Due to differing processes and regional needs, each channel may enjoy more or less efficiencies in each subsequent region, and therefore have so far fulfilled their decision mandate to varying degrees.



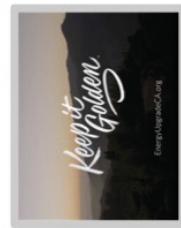
* Statewide Media Buying currently funded independently via SDG&E Contract

DDB

CONTENT DEVELOPMENT

Much of the content already developed for SDG&E will be reallocated in future regions, to be refreshed and regionalized as necessary, while some programs and activations will need to be redeveloped for local markets.

VISION



PAID



BEHAVIORAL



EARNED



Reusable Assets In Future Regions

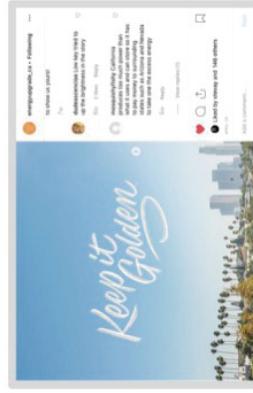
Requires Refreshing/Replacement For Future Regions

DDB

CONTENT DEVELOPMENT

Much of the content already developed for SDG&E will be reallocated in future regions, to be refreshed and regionalized as necessary, while some programs and activations will need to be redeveloped for local markets.

OWNED



Energy Upgrade California @EnergyUpgradeCA, Mar 10
Apr. 1st is doing nothing. The Data, call it "brownout", but we call it "brown down time, and it's from 4-8. See how you can help save energy" by doing, well, morning.

Time of use | Energy Upgrade California @EnergyUpgradeCA
energyupgrade.ca.org/time-of-use/

CNN @CNN
The brownout warning issued is expected to generate more electricity than usual during the month of April, according to a recent report. That's never happened before. cnn.it/2ZqSpis

Reusable Assets In Future Regions Requires Refreshing/Replacement For Future Regions

OUTREACH



TOU ME&O Update



PHASE 1 SCOPE: Projected Status at PG&E Contract Expiration

Deliverable 1 “Update the ME&O Blueprint” is complete. But as described above, Deliverables 2 and 3 require additional work to meet the Decision’s mandates from April 2020 through December 2021.

STRATEGY AND CONTENT DEVELOPMENT WORK

Deliverable 1: ME&O Blueprint Update

	SDG&E Rollout	PG&E, SCE	SDG&E Rollout	PG&E, SCE
• Develop SW EUC comms plan	●	●	●	●
• Identify and target HTR/CCGs	●	●	●	●
• Align IOU and CBO plans	●	●	○	○
• Recommend outreach strategies	●	●	●	●
• Provide integrated EUC PR plan	●	●	●	●
• Recommend timing/costs	●	●	●	●
• Budget for deliverables 2&3	●	●	●	●
• Develop creative briefs	●	●	●	●
• Execute background research	●	●	○	●
• Test/validate creative concepts	●	●	●	●
• Develop creative content	●	●	●	●
• Translate/adapt/localize content	●	●	●	●
• Develop public relations content	●	●	●	●
• Develop to be requested materials	●	●	●	●
• Update/Maintain PR plan	●	●	●	●
• Develop and maintain SM content	●	●	●	●
• Social Media CRM	●	●	●	●
• Campaign updates/optimizations	●	●	●	●
• Coordinate CBO efforts	●	●	●	●

Completed Deliverable ● To-Be Completed Deliverable ○ In-progress Deliverable ● Ongoing Deliverable ◀

ONGOING SCOPE: Anticipated Needs Post-Contract Expiration

Tasks to-be-executed against Deliverables 2 and 3 include elements yet to be started (Outstanding), elements to be modified or optimized (Incremental) and elements that will require regular refreshing (Ongoing).

STRATEGY AND CONTENT DEVELOPMENT WORK TO BE DONE

	Deliverable 1: MEO Blueprint Update	Deliverable 2: Content Creation and Testing	Deliverable 3: Updates and Maintenance	
OUTSTANDING NEEDS COMPLETE				
OUTSTANDING NEEDS		<p>OUTSTANDING NEEDS</p> <ul style="list-style-type: none"> Develop/translate/adapt 2020/2021 Vision content Develop 2020/2021 Multicultural Vision content Campaign updates/optimization post Ipsos reports 	<p>OUTSTANDING NEEDS</p> <ul style="list-style-type: none"> Recommend 2021 timing/costs Create 2021 media plans Update/create 2021 plans for HTR/CCGs 	
INCREMENTAL NEEDS		<p>INCREMENTAL NEEDS</p> <ul style="list-style-type: none"> Develop supplemental Behavior content Translate/adapt supplemental Behavior content Develop/update public relations content Develop/update & execute RR brand activations Update CBO support collateral and content 	<p>INCREMENTAL NEEDS</p> <ul style="list-style-type: none"> Finalize 2020 media approach/plans Finalize 2020 plans for HTR/CCGs Update/Maintain PR plan Coordinate CBO efforts 	<p>ONGOING NEEDS</p> <ul style="list-style-type: none"> Social Media Channel Management and CRM Monthly tracking/progress reporting
ONGOING NEEDS		<p>ONGOING NEEDS</p> <ul style="list-style-type: none"> Develop/curate Social/Website content Develop to-be-requested materials Test/validate concepts and in-market performance 		<p>Additional Funding Needs: \$ 0</p> <p>Additional Funding Needs: \$ 9,622,242</p> <p>Additional Funding Needs: \$ 13,168,041</p>

SPENDING OVERVIEW: Forecasted Budget April 2020 - December 2021

Weighing all projected efficiencies, as well as deliverables needed to fulfill the Decision mandates through 2021, funding extensions are needed as outlined below:

	Initial Contract Total (21 Months)	\$ 31,694,243	
Forecasted Savings as of 9/30/19 (to be applied for work through March 2020)		\$ 7,981,962	
Forecasted Spend (27 Months) as of 3/31/20	\$ 30,961,666		
Forecasted Savings as of 3/31/20	\$ 702,577		
ESTIMATED TIME OF STAFF AND OUT-OF-POCKET COSTS FROM APRIL 2020 THRU DEC 2021			
Deliverable 1: MEO Blueprint Update	\$ 0	\$ 9,622,242	
Deliverable 2: Content Creation and Testing			
Deliverable 3: Updates and Maintenance	\$13,168,041	Cost per 12 Months Initial Contract	Cost per 12 Months Extension
	\$22,918,283		
Forecasted Total Contract Spend	\$53,879,949	\$18,110,996	\$13,096,162

BUDGET BREAKDOWN: Forecasted Budget April 2020 - December 2021

Scope of Work & Budget Breakdown (Mar. 2020 - Dec. 2021)	Agency Time	OOP	Total
<u>Deliverable 2: Content Creation & Testing</u>			
Strategic Stewardship & Creative Development	1,944,452		
Strategic program oversight & development of new creative concepts	646,333	2,811,111	
Produce New 2020/2021 Vision & CCG Content			
Execution of ongoing Vision Metric-driving and Critical Customer targetted content (Video, Activations, Digital/Social etc.)	389,278	1,222,222	
Optimize/Adapt Existing TOU Behavior Content - SDG&E TOU Campaign Revisions			
Make revisions to, and potentially create new TOU Behavior content, based on Ipsos findings	399,290	501,228	
Develop PR Content			
Create analog & digital Press Releases and supporting content for earned media programs	615,247	300,000	
Develop New 2020/2021 Multicultural Content			
Concept and produce In-language & multicultural marketing materials for Vision and Behavior campaigns	393,081	400,000	
Statewide Creative and Media Testing			
Bi-annual SW Program and Paid Media performance tracking, monthly analytics reporting and creative concept testing	4,387,681	5,234,561	
Subtotal			9,622,242
<u>Deliverable 3: Updates & Maintenance</u>			
Campaign Stewardship, Updates and Optimization			
Account Management of Program, Strategic analysis/optimization and Creative updates to campaign content	2,269,926		
Update/Maintain PR Plans & Influencer Support			
Earned Media program strategy and account management oversight & paid Influencer program execution	991,965	481,572	
Update/Maintain Video, Digital & Social Content			
General Market social, digital and website content optimizations post-Ipsos findings and ongoing refreshes	969,037	474,776	
Update/Maintain Multicultural Video, Digital & Social Content			
Multicultural social, digital and website content optimizations post-Ipsos findings and ongoing refreshes	331,287	450,000	
Complete 2020/Develop 2021 Paid Media Plans			
Media Strategy refinement & Plan development, maintenance and optimizations	1,601,145	0	
Coordinate CBO Efforts			
Issue RFPs, compensate CBOs, manage/nurture relationships, report activity, and produce collateral & social/digital content	3,490,000	1,315,000	
Stakeholder Management			
Regulatory Compliance and Stakeholder Management deliverables & ad hoc analyses and plan modification requests	793,333	0	
Subtotal			13,168,041
Miscellaneous Expenses (Travel & Materials)			128,000
Total Spend			22,918,283
			14,834,374
			8,083,909

APPENDIX



2020/2021 Deliverables: Channel Details



UPDATE CHANNEL IMPLICATIONS: Paid

As each key channel of the statewide campaign enjoys varying efficiencies from region to region, an increased priority on CCGs in 2020/2021 will have varying impact. The respective impacts on 2020 planning may include:*

CONTINUITIES	REGIONALIZATIONS	CUSTOMIZATIONS
FLIGHTING: Media will continue to support PG&E/SCE regions with Vision and TOU messaging, meanwhile San Diego will continue receive media "Air Coverage" throughout default.	TESTING: Media strategy and Channel Mix will be revisited following Millward Brown SDG&E testing results in July.	COMMS DIRECTION: Media strategy will be revisited with definition of the 2020/2021 communications strategy.
AUDIENCE: Media targeting will continue to target Californians 18+	IOUs: Default timing and other adjustments/news will inform PG&E/SCE media planning	CCG: Priority audiences will shape plan design going forward.

UPDATE CHANNEL IMPLICATIONS: Earned

As each key channel of the statewide campaign enjoys varying efficiencies from region to region, an increased priority on CCGs in 2020/2021 will have varying impact. The respective impacts on planning may include:*

CONTINUITIES	REGIONALIZATIONS	CUSTOMIZATIONS
<p>EARNED MEDIA: Create story angles and conduct ongoing media relations to secure campaign coverage.</p> <p>THOUGHT LEADERSHIP: Use subject matter experts and CBO partners to provide campaign spokespeople for media.</p>	<p>AUDIENCE ALIGNMENT: Tailor key messages, story angles, influencer engagement and events to reflect diversity of hard news and lifestyle interests of regions and demographics found within the larger territories of PG&E and SCE.</p>	<p>CCGs: Continue diversifying portfolio of EUC spokespeople and influencers to enhance appeal for more targeted media and increase relevance for critical audiences (e.g., multicultural, seniors, low-income, persons with disabilities).</p> <p>CONTROLLED TACTICS: Increase deployment of controlled media tactics (i.e., audio news releases, mat releases, micro-influencers, tailored broadcast segments, etc.) to efficiently reach audience that is significantly larger in size than that found in SDG&E territory.</p>

UPDATE CHANNEL IMPLICATIONS: Outreach

As each key channel of the statewide campaign enjoys varying efficiencies from region to region, an increased priority on CCGs in 2020/2021 will have varying impact. The respective impacts on planning may include:*

CONTINUITIES	REGIONALIZATIONS	CUSTOMIZATIONS
<p>HYPER LOCAL: utilizing local resource events (such as health fairs, community meetings and hyper-local events) provides greater direct engagement with our targeted audiences</p> <p>ONE-ON-ONES: Utilizing "street teams" that roam events rather than remaining at a centralized booth has shown to increase engagement at large events, where name recognition is low and amongst non-english speaking audiences who maybe skeptical / hesitant.</p>	<p>ONE-ON-ONES: Utilizing "street teams" that roam events rather than remaining at a centralized booth has shown to increase engagement at large events, where name recognition is low and amongst non-english speaking audiences who maybe skeptical / hesitant.</p>	<p>CONGREGATIONAL OUTREACH: Several faith-based CBOs have seen success in training top level leaders such as clergy, who in turn reach out to their respective faith communities for follow-up actions</p>

UPDATE CHANNEL IMPLICATIONS: Strategy & Content

As each key channel of the statewide campaign enjoys varying efficiencies from region to region, an increased priority on CCGs in 2020/2021 will have varying impact. The respective impacts on planning may include:*

CONTINUITIES	REGIONALIZATIONS	CUSTOMIZATIONS
SOCIAL CONNECTION: Sustain steady drumbeat of customer engagement and education via Social Channels	TOU ADAPTATION: Utilize SDG&E campaign results to inform optimization and refinement of Behavior Campaign assets for PG&E/SCE roll outs	CCG CONTENT: Identify opportunities to reach and support CCG audiences through EUC brand actions and content.
		ACTIVATIONS: Develop experiential campaign moments for PG&E/SCE territories to encourage 1:1 engagement and boost Earned Media efforts.
		EQ ENGAGEMENT: Refresh EUC vision content and messaging to sustain emotional engagement with Keep it Golden/TOU campaign amongst all Californians
		TESTING: Continue to provide qualitative concept testing, monthly campaign effectiveness reports and tracking study analysis

UPDATE CHANNEL IMPLICATIONS: Multicultural

As each key channel of the statewide campaign enjoys varying efficiencies from region to region, an increased priority on CCGs in 2020/2021 will have varying impact. The respective impacts on planning may include:*

CONTINUITIES	REGIONALIZATIONS	CUSTOMIZATIONS
<p>TOTAL MARKET: Maintain collaboration between creative/multicultural partners for a total market creative strategy and cognitive concept.</p>	<p>IN-LANGUAGE ASSETS: Develop a minimum of 10 website pages and 4 pieces of collateral for campaign destinations.</p> <p>PRIORITY AUDIENCES: Develop bespoke creative / brand stories that aim to engage CCGs in the PG&E/SCE territories.</p>	<p>HISPANIC AUDIENCES: Develop bespoke activations (1-3 per year) to engage Hispanic audiences in northern default territories and across the state.</p> <p>TRANSCREATION: Maintain transcreation and translation of all relevant campaign assets.</p> <p>IN-LANGUAGE ASSETS: Developed a minimum of 10 website pages and 4 pieces of collateral for campaign destinations.</p>

Campaign Impact to Date: Channel Details



CAMPAIGN IMPACT: Paid

Despite TOU efforts just launching, and initial results not yet available, the dual-track statewide message is already creating statewide buzz while establishing deep roots and relevance in the SDG&E default region.

Key Channel Impacts (To Date)

TOU Paid Media launched mid-May SD only. Therefore, performance data is limited. However, initial measures are already encouraging:

- In the first 4 weeks of the TV/Radio campaign, we are reaching **94%** of A25-54 and **98%** of HA18-49 (avg. 4 week cum/SD/May 20th-June 16th)
- Video completions increased from **74%** to **77%** with the rollout of TOU creative, a statistically significant increase in engagement

*Deeper dives into campaign impact can be found in the appendix

CAMPAIGN IMPACT: Earned

Despite TOU efforts just launching, and initial results not yet available, the dual-track statewide message is already creating statewide buzz while establishing deep roots and relevance in the SDG&E default region.

Key Channel Impacts (To Date)

- To date, PR activities generated **345** placements and over **73 million** impressions with messages about the rallying vision and behaviors related to Time of Use (TOU).
- Distributed a statewide multi-media news release generated **275** placements and over **69 million** impressions.
 - Release distributed in English and Spanish; targeted major print and online media outlets across the state of California
 - Messages focused on rallying Californians around the vision for and resulting benefits of using more clean energy.
- Briefed reporters at key regional media outlets on TOU in advance of the transition in San Diego.
 - Briefings with San Diego Union-Tribune (newspaper) and KOGO-AM (news radio) featured Edward Randolph of the CPUC
 - Positioned EUC as a resource on clean energy use with the media and resulted in **16** placements since February 2019

CAMPAIGN IMPACT: Earned (Continued)

Despite TOU efforts just launching, and initial results not yet available, the dual-track statewide message is already creating statewide buzz while establishing deep roots and relevance in the SDG&E default region.

Key Channel Impacts (To Date)

- To-date, **70** placements have been secured reaching over **14,029,646** residents in the San Diego media market; ongoing coverage of TOU has appeared in key outlets that include:
 - Print: San Diego Union Tribune
 - Online: [Patch.com](#)
 - Critical Customer Groups: Vien Dong Daily News, Times of San Diego, La Prensa Hispana
 - TV: KUSI, ABC10, CBS8, Fox5
 - Radio: KOGO-AM, 97.3 The Fan
 - Social Media: Facebook, Twitter and Instagram
- Engaged **75** third-party voices to serve as spokespeople for the campaign, which increased campaign appeal in the San Diego media market and positioned EUC as a consumer resource on clean energy.
 - Partnered with celebrities/local personalities with San Diego ties (NFL Athlete LaDainian Tomlinson, celebrity chef Brooke Williamson) to increase the relevance of EUC for general audiences.
 - Engaged third party lifestyle experts to create a steady drumbeat of coverage via broadcast segments on ABC10 San Diego tailored to cultural moments in time (e.g. Holiday Entertaining, Healthy Family Snacks for Spring, Summer Hacks)
 - Worked with social media influencers based in San Diego to develop and share content that tailors TOU behaviors to different lifestyles (e.g. parenting, multicultural, foodies, fashion, DIY) and provide visual reminders for how to access clean energy when it is more readily available.
 - Leveraged representatives from community-based organizations (CBOs) that are partnering with EUC to provide a point of view on clean energy use through op-eds, letters to the editor and interviews; CBO voices increased appeal of EUC for critical customer groups, including multicultural, seniors and people with disabilities.

CAMPAIGN IMPACT: Outreach

Despite TOU efforts just launching, and initial results not yet available, the dual-track statewide message is already creating statewide buzz while establishing deep roots and relevance in the SDG&E default region.

Key Channel Impacts (To Date)

In 2019 the EUC Time of Use CBO program has contracted with 16 state and regionally focused CBOs aimed at delivering positive messaging around the shift to TOU to our identified critical customer groups.

To date, these CBOs have successfully delivered over **62,000** pieces of printed information at **352** local and regional events explaining the default shift. Additionally we have conducted direct person-to-person outreach to **40,080** Californians via a targeted door-knocking, phone and text program. Supporting this direct outreach we have delivered nearly **382,749** emails and our CBOs have utilized their social media properties to reach over **1,168,023** Californians.

Funding Lapse Impact: Channel Details



BUDGET LAPSE IMPACT: Paid

Below outlines the challenges that the DDB Group and the Statewide RRR ME&O program will face, if ongoing funding isn't determined before September 30, 2019:

Coverage & Impact

A delay in approval of ongoing funding **through** the end of the year will result in significant gaps in media coverage and impact in market. (A short term contract extension would mitigate this):

- If DDB isn't staffed to execute media plans after 9/30/19, EUC won't have Q1 media in market
 - If DDB isn't staffed for planning after 9/30/19, EUC won't have Q2 media in market (A short term contract extension would mitigate this.)
 - If DDB is unable to plan by 12/6/19, EUC won't have Q3 media in market

A delay in approval of ongoing funding **beyond** the end of the year will result in significant gaps in media coverage and impact in market

- If DDB is unable to plan by 3/25/20,
 - EUC won't have Q4 media in market
 - If DDB doesn't start strategic planning by June 2020, EUC won't have 2021 media in market

BUDGET LAPSE IMPACT: Paid

Below outlines the challenges that the DDB Group and the Statewide RRR ME&O program will face, if ongoing funding isn't determined before September 30, 2019:

<i>Channel Optimizations</i>	<i>Creative Alignment</i>	<i>Staffing Efficiencies</i>
If DDB can't plan by the dates above, we may still be able to have SOME media in market, but utilizing sub-optimal channels at significant premiums to rate-payers: <ul style="list-style-type: none">• Rate hikes of up to 20%• Inventory shortage (compounded in the 2020 election year)• Quality inventory sell-outs	If DDB can't plan by due dates above, creative and media alignment will suffer but resulting in a less impactful campaign in market <ul style="list-style-type: none">• Resulting in incremental fee costs, to fund freelance support• Add strain on EE workflow and campaign delivery, to accommodate delayed RR start-of-work	If DDB can't plan EE and RR campaigns in tandem by 9/30/19, the agency will lose staffing efficiencies <ul style="list-style-type: none">• Resulting in incremental fee costs, to fund freelance support• Add strain on EE workflow and campaign delivery, to accommodate delayed RR start-of-work

BUDGET LAPSE IMPACT: Earned

Below outlines the challenges that the DDB Group and the Statewide RRR ME&O program will face, if ongoing funding isn't determined before September 30, 2019:

SDG&E	PG&E & SCE	Program
<ul style="list-style-type: none">DDB will not be able to support ongoing education, from trusted news and lifestyle sources, on ways to manage energy use in warmer months removes a way to mitigate risks associated with ratepayers who experience higher costs due to TOU.As the seasons change and temperatures fall with the coming of winter, the same reputational risks apply in the absence of information on how to manage energy use.	<ul style="list-style-type: none">DDB will lose the ability to begin PR planning for the upcoming TOU rollouts, resulting in a lack of awareness about the upcoming transition to TOU and the benefits associated with using more clean energy.Prevents EUC from mitigating risks associated with having negative sentiment from the SDG&E transition to TOU spread to other parts of state	<p>Furthermore, a halt in EUC media outreach after September 2019 will create financial risks. In the absence of ongoing relationship building and news updates, EUC will lose direct contact with 400 media outlets across California. The cost to rebuild relationships and their receptiveness to stories pitched by the EUC news engine are estimated at \$150,000-172,000.</p> <ul style="list-style-type: none">A halt in EUC communications will put the campaign and the IOUs in a defensive position as the transition approaches, taking away the opportunity to shape understanding and accepting in advance of the transition.

BUDGET LAPSE IMPACT: Outreach

Below outlines the challenges that the DDB Group and the Statewide RRR ME&O program will face, if ongoing funding isn't determined before September 30, 2019:

Current Contract Management

Ongoing Staff Management of the currently contracted CBOs will end. The team of EUC professional staff provides programmatic support (collateral development / scheduling / IOU coordination) for the CBOs as well as robust oversight to ensure that they are hitting their hard to reach contact targets. DDB also delivers both qualitative and quantitative metrics to the CPUC and provides regular updates to the larger stakeholder group. This support would cease at the close of the current contract. (A short term contract extension would mitigate this.)

2020 RFP Planning

On schedule is the analysis and revision of the RFP guidelines and process which will begin in August. We seek to have the RFP in market by middle September for responses to come back by the end of October and decisions for the 2020 grant recipients made by end of November in consultation with the CPUC. Contracts will start on 1 January 2020. (A short term contract extension could mitigate this, to a degree, but still create a risk.)

BUDGET LAPSE IMPACT: Outreach

Below outlines the challenges that the DDB Group and the Statewide RRR ME&O program will face, if ongoing funding isn't determined before September 30, 2019:

2020 RFP Responses

The most problematic outcome of a short term contract extension is the quantity and quality of the RFP responses DDB Group receives. There was significant concern at the beginning of this year with the PG&E situation among TOU educators and asking them to run an RFP process – which takes significant time and effort on their part – with the caveat that there might not be funding for the program will depress RFP turnout and for those that do participate could impact their responses. One can understand – though not predict – how a CBO might question the return on investment for a proposal that has questionable funding. It is important that EUC partners with the best CBO partners that have the professionalism and ability to scale as more of the state defaults to keep up our momentum and hit our goals. **A full contract solution would be necessary to handle this issue.**

BUDGET LAPSE IMPACT: Content

A delay in approval for ongoing funding after September 30, 2019 will result in an inability to develop communications strategies and content for SCE and PG&E markets in the following ways:

Campaign Optimization	Creative Development	Strategic Implementation
<ul style="list-style-type: none">DDB will not be able to provide analysis of IPSOS findings from SDG&E, nor make campaign recommendations to address learningsDDB will not be able to make revisions to existing content	<ul style="list-style-type: none">DDB will not be able to refresh the content that communicates EUC vision and/or "the reason to care"DDB will not be able to sustain social and digital channel engagement via refreshed content	<ul style="list-style-type: none">DDB will not be able to manage, measure and make adjustments to the campaign across PG&E and SCE territoriesDDB will have to discontinue the DB5 Brand Tracking Study TOU Augmentation
		<ul style="list-style-type: none">DDB will not be able to execute brand activations in PG&E and SCE markets